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ABSTRACT

This paper provides the framework and context for a systems approach to planning, detailed descriptions of specific steps in the planning process, conclusions, and questions for consideration when executing strategic planning in higher education. The analysis is based on the work of James T. Ziegenfuss, Jr. in his book "Designing Organizational Futures: A Systems Approach to Strategic Planning with Cases for Public and Non-Profit Organizations." The systems model for strategic planning for public agencies presented includes the following steps: (1) planning to plan; (2) internal assessment--institutional scanning; (3) external assessment, environmental scanning; (4) developing a vision; (5) matching the vision to the present; (6) developing strategies; (7) developing and implementing programs; and (8) updating and maintaining the program. Planning steps for higher education are seen to be essentially the same. The role and leadership of the college or university president to the planning process is stressed as is the need for a concerted effort at the highest levels of the planning effort to make certain that the information provided by the subunits is complete and representative. The report also notes that it is unlikely that the planning process will be able to adequately address all the environmental forces shaping the university, and the university may wish to consult with an outside agency. (MAH)

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A Systems Approach to Strategic Planning and Its Implications to Higher Education

Michael A. Shires

DRU-666-IET

March 1994

Prepared for the Institute on Education and Training

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PREFACE

This paper provides a description of the strategic planning process with some direct comments about its application to higher education. It is intended as a thought piece to (1) describe the strategic planning process and (2) provide insights on how such a process should and could be implemented in the higher education sector.

The analysis contained in this paper will be of interest to individuals interested in either strategic planning in public agencies or higher education. Those interested in both areas will find it of particular use and interest.

The structure of the process described in this paper results in large part from materials developed by the author for a class in Administrative Planning given recently by the author at California State University, Dominguez Hills. The analysis incorporated in this paper is drawn from the author's considerable experience overseeing and executing planning exercises in a wide range of private organizations.

The extension of the analysis to the higher education sector is largely the result of recent dialogues with colleagues within the RAND Center for Higher Education Reform (CHER) on the process of executing a strategic plan within both the higher sector and its constituent systems and institutions.

Funding and support for this initiative was provided through the CHER by the RAND Institute on Education and Training. The comments and observations included herein, however, are those of the author alone and do not in any way represent the views and positions of RAND, the RAND Institute on Education and Training, or the RAND Center for Higher Education Reform.

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SUMMARY

The formal planning process in the public sector is a very complicated and elaborate process. This paper describes a systems approach to the planning process. The paper provides a detailed description of the steps in the process.

The general flow of the process is straightforward and logical. The very first action to be taken is to make a commitment or decision to undertake a planning effort. Once a commitment has been made, the institution then must decide how it will actually go about executing the planning process. This is the "Planning to Plan" stage, where logistical issues, such as who will participate, how formal the process will be, how long the effort will take, and how comprehensive the effort will be, are resolved. The organization then takes stock of itself, identifying its missions, organizational characteristics, and fiscal structure. This is the "Internal Assessment" stage. Concurrently, the organization undertakes an "Environmental Scan." This survey of the organizations external environment addresses two questions: (1) How does the external environment affect the organization? and (2) How will that environment change over the period covered by the plan?

The institution must then turn to the next stage, "Developing a Vision of the Future." In this step, the environment of the future is coupled with the institution's missions to develop a vision of the organization in the future. This vision answers the general question "Given what I expect about the future, what characteristics will be necessary for my institution have to thrive (or meet its specified mission)?" Once this vision has been developed, it is then time to assess the areas where the institution falls short of the future vision, identifying the specific areas of deficiency. We call this step "Matching the Vision to the Present." During the "Developing Strategies" stage, specific strategies to address these deficiencies are developed and chosen. In the "Developing and Implementing Programs" stage, specific action plans and programs are put into place to implement the strategies chosen in the preceding step. Finally, the

plan is "Updated and Maintained." This is where mechanisms are put into place to assure that the plan is implemented and that procedures are put into place to make certain that the plan is updated in response to future changes.

The net product of this fully elaborated process is a fully specified plan that can move the organization into the future. In the final chapter, some of the implications specific to the process as it functions in higher education are reviewed.

ACKNOWLEDGMENTS

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Finally, I am grateful to the RAND Institute on Education and Training for its on-going support of work on higher education issues and for its support of this effort in particular.

As a final reimnder, this paper represents only the views of the author and does not represent the views of RAND, the RAND Institute on Education and Training, or the RAND Center for Higher Education Reform.

1. INTRODUCTION AND OVERVIEW

The purpose of this paper is to lay out a framework for executing a strategic planning process and to provide specific insights into how such a process could work within higher education. The analysis presented is founded on a systems approach[1] to the planning process and is based on the work of James T. Ziegenfuss, Jr. in his book *Designing Organizational Futures: A Systems Approach to Strategic Planning with Cases for Public and Non-Profit Organizations.*[2]

DEFINITIONS OF SOME KEY TERMS

In any discussion of planning, it is important and useful to start off with a definition of what we mean by planning and, in the particular context of this paper, strategic planning. We will define **planning** to mean *the process of developing, implementing, and maintaining a plan,* where a **plan** is defined as *a description of the organization's chosen approach to accomplishing its missions and objectives within the context of its internal and external environments.*

A **strategic plan** focuses on the broadest levels of consideration within the unit under consideration for planning, often directly based upon and amplifying the unit's organizational mission, and is usually long-term in nature. The complement to a strategic plan is often an **operational plan** that addresses short-term goals of specific actions within the organization. In a battlefield scenario, for example,[3] a

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[1]The systems approach to planning is based upon the simplest definition of a system. This definition specifies that a system is comprised of inputs, a process or processor, outputs, and feedback between each and, in many cases, all of the components. In the most general case, the inputs, information, and resources expended on the planning process represent inputs. The planning process detailed in this paper represents the process. The resulting plan, motivation, consensus, morale development, and institutional focus are among the outputs of the process. The way in which the various components interact with each other would represent the feedback.

[2]Charles C. Thomas, Publishers: Springfield, Illinois, 1989, 198 pp.

[3]Many of the concepts in modern strategic planning originated in military planning.

typical strategic plan may call for the blockading of an island in order to force its eventual surrender. A related operational plan would specify the number and types of ships in the blockading fleet as well as their day-to-day deployment. Another operational plan would specify the number and types of aircraft that would enforce the blockade from the air as well as their day-to-day instructions. As this example shows, the key distinction is the scope of the plan itself.

WHY EXECUTE A STRATEGIC PLANNING PROCESS?

Why would an institution of higher education undertake a strategic planning process? As we will see shortly, the process requires the commitment of considerable personnel, money, time, and energy within the institution. An economist or businessperson would argue that the benefits of undertaking a planning process must outweigh the costs in order for it to be desirable. The answer, in the case of higher education, is rooted in the rapidly changing nature of its external environment, its internal environment, and, in many cases, its fiscal structure.

The demands placed on modern higher education institutions are complex and changing. Higher education institutions in today's modern postindustrial society is increasingly called upon to provide more applied training and preparation in addition to its classical role in providing strong liberal arts training. Furthermore, the sector's constituent institutions are being called upon to provide increasing levels of service to an increasingly diverse and demanding student population. The sector is further expected to provide a mechanism for social mobility to disadvantaged subpopulations. All of this and more during a period when the primary and secondary school preparation of the average entering student population is on the decline—necessitating the commitment of more institutional resources on remediation.

In response to these and other changes, the modern university and college must constantly reshape itself internally. The planning process provides a mechanism to execute these restructurings as well as a mechanism for enfranchising the diverse constituencies and interest groups within the university environment to the process and its eventual

result. In many cases, the planning process can also be used by an institution's leadership as a vehicle for designing and implementing change and innovation.

Significant changes in the magnitude and sources of higher education institutions' fiscal resources often force institutions to undertake planning processes as well. Although the detailed analysis is beyond the scope of this paper,[4] the past several years have ushered in a new era for modern higher education institutions. The growing collage of demands faced by higher education institutions is not necessarily new; many dating back to just after World War II and the early 1960s. Until recently, however, public spending on higher education was growing rapidly as well and these new demands on institutions were funded from the incremental increases they received from their funding sources. In recent years, however, the sources and amount of resources coming into higher education institutions, especially in the public sector, have changed. Public support of higher education has, in many cases, dropped, and, in some cases, dropped dramatically. In the past, decisionmaking was executed incrementally. A ten percent increase in institutional funding would result in the establishment of a new department to meet a demand on the institution and then everyone else would receive a five percent increase in funding. In light of decreasing resources, however, institutions are forced to meet new demands, not through the *allocation* of *new* resources, but through the *reallocation* of *existing* resources.

In cases where these resources are declining, the institution has two choices: (1) to implement reductions incrementally (actually decrementally) or (2) to examine the institution's missions and devise an acceptable reallocation and restructuring scheme. It is in the development of such a restructuring that the planning process plays a central role.

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[4]See Michael Shires, Cathy Krop, Maryann Gray, Steve Carroll, and Roger Benjamin. *The Changing Environment in Higher Education*, RAND Monograph Report MR-441-LE, in publication.

ORGANIZATION OF THIS PAPER

This paper is divided into eleven chapters. After this brief introduction, Chapter Two will provide the general framework and context for our systems approach to planning. Chapters Three through Ten will then provide detailed descriptions of the specific steps in the planning process. Chapter Eleven will then provide some conclusions and further questions for consideration when executing a strategic planning effort in the higher education sector.

2. A SYSTEMS MODEL FOR STRATEGIC PLANNING

The systems approach to strategic planning that I propose for public agencies is portrayed in Figure 2.1 The process includes eight steps with the arrows indicating the main flows and step order through the process.

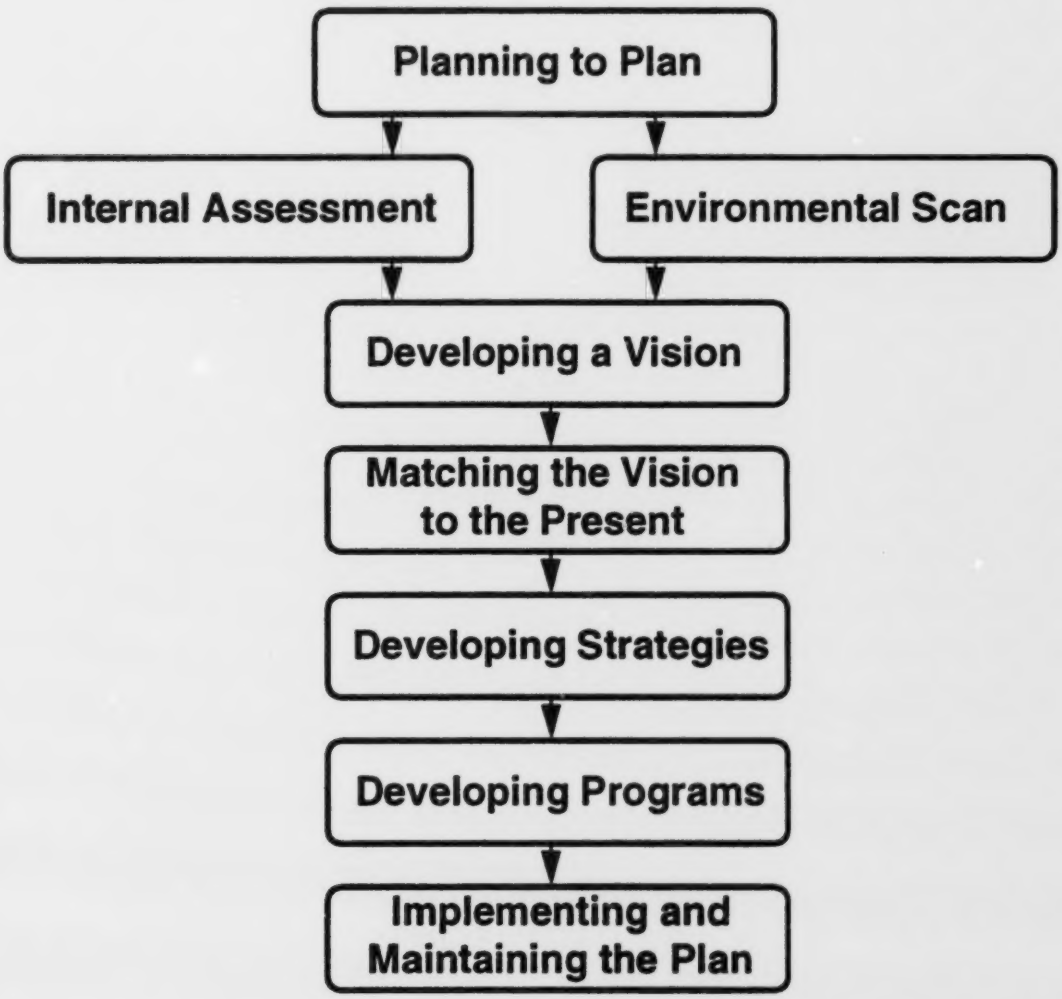

Figure 2.1-A Systems Model for Strategic Planning

It is important to note, however, that because this is a systems exercise and planning occurs in a very dynamic real-world environment, that the individual steps can impact preceding steps and that as information is accumulated, it can instigate a return to previous steps and stages. The order presented represent the general flow and the most rational approach.

The steps, in the order presented and with their associated chapters in the following analysis indicated, are as follows: (1) Planning to Plan [Chapter Three], (2) Internal Assessment [Chapter Four], (3) Environmental Scanning [Chapter Five], (4) Developing a Vision [Chapter Six], (5) Matching the Vision to the Present [Chapter Seven], (6) Developing Strategies [Chapter Eight], (7) Developing Programs [Chapter Nine], and (8) Implementing and Maintaining the Program [Chapter Ten].

The general flow of the process is straightforward and logical. The very first action to be taken is to make a commitment or decision to undertake a planning effort. Once a commitment has been made, the institution then must decide how it will actually go about executing the planning process. This is the "Planning to Plan" stage, where logistical issues, such as who will participate, how formal the process will be, how long the effort will take, and how comprehensive the effort will be, are resolved. The organization then takes stock of itself, identifying its missions, organizational characteristics, and fiscal structure. This is the "Internal Assessment" stage. Concurrently, the organization undertakes an "Environmental Scan." This survey of the organization's external environment addresses two questions: (1) How does the external environment affect the organization? and (2) How will that environment change over the period covered by the plan?

The institution must then turn to the next stage, "Developing a Vision of the Future." In this step, the environment of the future is coupled with the institution's missions to develop a vision of the organization in the future. This vision answers the general question "Given what I expect about the future, what characteristics will be necessary for my institution have to thrive (or meet its specified mission)?" Once this vision has been developed, it is then time to

assess the areas where the institution falls short of the future vision, identifying the specific areas of deficiency. We call this step "Matching the Vision to the Present." During the "Developing Strategies" stage, specific strategies to address these deficiencies are developed and chosen. In the "Developing and Implementing Programs" stage, specific action plans and programs are put into place to implement the strategies chosen in the preceding step. Finally, the plan is "Updated and Maintained." This is where mechanisms are put into place to assure that the plan is implemented and that procedures are put into place to make certain that the plan is updated in response to future changes.

The net product of this fully elaborated process is a fully specified plan that can move the organization into the future. In the next several chapters, the individual mechanics of each of the stages will be discussed.

3. STEP ONE: PLANNING TO PLAN

The "Planning to Plan" stage centers around developing a model and framework for instituting the planning process within the institution. In this chapter, we will review many of the issues that must be considered and evaluated when setting the stage for a strategic planning effort. Below are eight of the most important and common areas of concern that must be addressed during the "Planning to Plan" stage:

1. Setting the Objectives
2. Culture
3. Leadership
4. Size
5. Selecting Participants
6. Degree of Formality
7. Information Demands
8. Levels of Support
9. Reporting the Results

We will now turn to each of these issue areas.

SETTING THE OBJECTIVES

The very first decision to be made in the planning process is a commitment to execute a planning activity. The organization must decide that it needs to plan and must further identify why it needs to plan and what is expected as a result of the planning process. The purpose, scope, and general parameters of the resulting plan should be specified before the process begins. Planning exercises can be grouped into two categories by whether they are motivated by a crisis (reactive) or not (proactive).

Reactive Plans

Reactive planning efforts are motivated by a crisis or crises in the organization's institutional context. These crises can be either internal, such as political infighting and conflict, or external, such as changes in the organization's outside fiscal resources and regulatory environment.

Reactive plans can be either short-term or long-term in nature, depending on the nature and pervasiveness of the stimulus. If the stimulus is an immediate threat of some sort, such as short recession, the plan needs only consider how to get through the current fiscal year. Furthermore, the planning process must be very quick since the organization must respond *this* year and, often, the sooner a decision is made the better as the consequences to affected parties can be negotiated over a longer period of time. If the stimulus is more pervasive and long-term, such as a pattern and history of decreased funding by key outside agencies, then the planning process can be much more deliberate and slower. The solutions the planning process must provide can be spread out over a much longer period of time.

Proactive Plans

Proactive plans are generally not motivated by crisis, but instead by a desire in the organization to look to its future to assess the strategic opportunities and threats therein. The entity is not responding to any major environmental or internal crises, but is instead reviewing its current business plan to see how it fits with the likely future and how it can be improved. Such planning exercises are generally broad and long-term.

Combining Motivations

The organization or agency is forced by external factors, such as increasing demands for services and decreasing availability of public resources, to institute a reactive planning process. The management, recognizing an opportunity to institute a much larger focus on the organization's future, then initiates a planning effort that has a very long-term focus. While the planning effort itself may seem almost proactive in nature—that is to say that the focus is on increasing the organization's long-term effectiveness and viability—the management can always turn to the looming crisis as the ultimate motivator for the hard choices that the institution may face in the course of the process.

CULTURE

The overall institutional culture is a key contextual variable in designing and implementing a successful planning process. Organizational culture refers to the "tone" or atmosphere of the organization and how it functions. James Q. Wilson describes culture as,

> a persistent, patterned way of thinking about the central tasks of and human relationships within an organization. Culture is to an organization what personality is to an individual. Like human culture generally, it is passed on from one generation to the next. It changes slowly, if at all.[5]

Culture therefore describes a wide range of attributes of the organization. These attributes can include such things as the level of participation within the organization, the formality of communications within the organization, the verticality and hierarchical nature of the organization, the history and significance of the various positions within the organization, the confrontational bent of the organization, the responsiveness of the organization to external change, and so on.

As a general rule, the planning process must reflect the organizational culture of the institution. For example, if an institution is very small and informal, such as a small liberal arts college, then the planning process should be small and informal. In such a setting, the entire process may well be executed over a weekend in a retreat-style format. If a large university, with a long history of firmly entrenched interests, undertakes a planning effort, the process must be much more formal, occurring over a much longer period of time.

Since culture is a very broad concept, it is not possible to devise a specific checklist against which to structure the planning process. One can assert, however, that the style and architecture of process selected should reflect the character and "flavor" of the institution.

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[5] *Bureaucracy*, p. 91.

LEADERSHIP

Another key consideration in the "Planning to Plan" stage is the role of the organization's leadership. The organization's leadership is important in three ways:

1. The organization's leadership must be fully behind the planning process;
2. The style of the planning process must match the leadership style and structure exhibited by the organization's leadership; and
3. The individual managing the planning process must be clear in the leadership role that they are playing and cognizant of their influence and authority limitations.

Each of these dimensions of leadership is important to the planning process as we will see below.

Organizational Commitment

As we pointed out in the introduction of this paper, perhaps the most important part of executing a successful planning process is to commit the organization to executing it before it begins. Planning is a difficult and, sometimes, confrontational process that must blend and coordinate differing perceptions of common objectives in the context of the organization and its external environment. In the case of the public organization, such as the university, the importance of this commitment is amplified by the complexity of the institutional framework and its participating constituencies.

Generally, the first public action in a planning enterprise is an announcement of the exercise and its objectives. The organization's leadership must, at that time, convey the institution's commitment the planning process and, if appropriate, the pressing nature of the need for its successful execution.

Matching Leadership Styles

Another dimension of the leadership variable that should be considered is the organizations general leadership context. If the leader of the organization is extremely autocratic, as is often the case in organizations with strong top-down management orientations, then a

wide participative process may well not be appropriate. Instead the process should focus on the leader's vision of the institution and how to implement that vision. In these scenarios, the planning process is often used more as a tool to institute and implement the central manager's vision of the institution than as a mechanism for developing a new strategic vision and role for the organization.

At the other end of the spectrum is the highly decentralized organization, often characterized by a bottom-up, highly participative management style. In this organizational context, the hands-off leadership style, coupled with the organization's history of widespread participation in management decisions necessitates a planning process that is comparably participative. The role of the process expands not only to include implementation as in the organization with more autocratic leadership, but also to include the development of the institutional vision that is to be implemented.

Individual Leadership

The third way in which leadership plays a crucial role in the "Planning to Plan" stage is in the selection of the person to lead the planning process. The entire atmosphere and spirit of the planning process will be set by the attitude and behavior of the person leading the exercise. In this regard, the leader of the planning process will be expected to serve many roles in the planning process, including team leader, technical specialist, trainer, advocate, process specialist, fact finder, reflector, alternative identifier, and collaborator in problem solving. Below are some brief descriptions of each of these roles.

Team Leader. The planning team leader will be expected to represent and defend the team's efforts to outside criticism. As a leader the individual will be expected to effectively manage the effort and assume responsibility for the exercise's eventual success or failure.

Technical Specialist. The planning team leader will be expected to expected to know all that there is to know about strategic planning. He/she will be required to guide the process and provide clear

instructions to other team members as to which actions to take over the course of the process.

Trainer/Educator. In addition to knowing everything about planning, the planning team leader will be called upon to explain how it works and functions to the other team members. This requires patience, professionalism, and effective communications skills.

Advocate. The planning team leader must be the enthusiastic supporter of the planning process as central to the success and existence of the organization. In this role, the individual must work to maintain the morale of the planning team.

Process Specialist. The planning process is fraught with all of the types of problems and complications that accompany human interaction. The team leader must be able to effectively work through conflicts and communications problems within the group, both during the group's meetings and after when conflicts may well move to other venues.

Fact Finder. Planning is an information-intensive activity and the team leader will be responsible for the collection, organization, and presentation of large quantities of information. It will be in the hands of the planning team leader to make certain that this information is assembled and distributed in such a time and manner that the sessions of the planning group are productive and constructive.

Reflector. The planning team leader will most likely be called upon to interact individually with the participants in the planning process and to help them sort out and clarify their own ideas regarding particular issues.

Alternative Identifier. In the course of discussion, the team leader may be called upon to suggest new alternatives or approaches to resolving problems. He/she will be expected to jump in and fill a dead silence, for example, that arises out of a lack of ideas or comments by the other participants. This role requires that the leader not only facilitate the process, but that *you must be a part of it.*

Collaborator in Problem Solving. The team leader must, in this role, be the great facilitator or compromisor. He/she may be called upon to bring divergent thought streams together or simply to reconcile a conflict between team members.

These roles are general and will change around throughout the process. The team leader may be called to serve in any or all of these capacities without notice. It is therefore essential that the planning team leader, therefore, be a mature and generally respected member of the organization. This individual must not only carry the confidence of the highest leadership of the organization, but must also have a personal credibility with a substantial portion of the organizational community and especially the members of the planning team.

SIZE OF THE EFFORT

The size of the team participating in the planning process depends in large part on the size of the organization, the style of decisionmaking within the organization, and the scope of the planning process. The size of the planning process should also be heavily influenced by the quantity and relative power of the diverse group of interests that should be included in the planning process—a topic discussed in the next section.

If the organization is small enough and characterized by a participative management style, a comprehensive planning may include everyone in the organization. If the same organization is characterized by a top-down management style, a planning effort may include only the president and one or two others.

In large organizations, a small-scope planning effort that affects only one department may well only include a handful of people from that department. If the scope is much larger, such as a major strategic planning undertaking, the process will include a host of individuals to varying degrees. In large bureaucracies, such efforts generally include the highest-level management directly and involve their staff indirectly through assignments and task forces.[6]

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[6]There is effectively little distinction between the use of assignments and task forces. In a university setting, for example, the provost of the university may *assign* a college dean the task of setting priorities for his/her school. This is effectively the same as setting up a *task force* to set the priorities for the school headed by the dean. The dean will, in the course of the assignment, likely recruit a group of appropriate individuals to follow through on the assignment.

SELECTING PARTICIPANTS

One of the most important considerations in developing a strategic planning process is to determine who should be directly included in the planning process. In large organizations, the participants are often the managers at the next level down from the level instituting the planning process. It is key, however, to make certain that any interest subgroups within the organization that can impede the final development and implementation of the plan be included in the planning team. For large planning efforts, the process should be sure to include representatives of all of the organization's operational and support units.

DEGREE OF FORMALITY

The degree of formality of the process should directly reflect the culture of the organization. It is included in this paper separately because it is a very important issue in the planning process. It is imperative that the planning process be viewed by the organization as a legitimate effort by the organization to address the issues surrounding the its future in an open and consensual manner.[7]

Formality also influences the types of meetings that should be set, the format of these meetings, and the frequency and rigidity of the written output of the planning group. Large planning efforts in bureaucratic contexts often require some degree of interim reports to convey the progress and direction of the planning group to the organization.

INFORMATION DEMANDS

Planning is an extremely information-intensive activity and it is critical to its effectiveness and success to have adequate access to the information it requires. It is therefore important to empower, initially and officially, the planning group to require information from participating and subordinate levels and to give those requests some degree of priority. In most organizations, this authority is given to

[7]While the process should be perceived as trying to achieve consensus, achieving consensus is not necessarily a pre-requisite for an effective planning process.

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the manager of the planning effort and administered through the participants in the planning process, with an obvious recourse to the organization's leader if resistance is encountered in any particular organizational unit. Planning teams can also have some staff support to obtain and process the information, especially in large organizations where important planning data may have to be specially derived from large institutional databases not designed to provide the necessary information.

LEVELS OF SUPPORT

The levels and scope of the support—personnel, time, computer resources, and other facilities—afforded the planning process are direct functions of the size of the organization, the size of the planning effort, the resources available in the institution, and the overall sophistication of the organization. The support should, as a simple rule, reflect the complexity and scope of the planning effort to be undertaken. If it is organization-wide, then the levels of support should be accordingly organization-wide. If it is very narrow-focus, then the resource should be appropriately smaller.

DEFINING THE SCHEDULE

One *critical* component of a planning process must be a schedule. In reactive plans, this schedule is often set and enforced externally. In proactive (and some large reactive) plans, the schedule is often more discretionary. The management must use its judgment to set a realistic time[8] and **then stick to it**. External and/or organizational events, such as changes in the leadership of an organization and calendar periods (such as a year) can often serve as useful demarcations.

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[8]Realistic is a difficult term to define, given the range of organizational and environmental that can exist. A rule of thumb, from my experience, is to develop a refined estimate and then add between 50 and 100 percent.

4. STEP TWO: INTERNAL ASSESSMENT—INSTITUTIONAL SCANNING

Having defined the structural and procedural framework for the planning process, the attention turns to executing the actual strategic planning exercise. The next two steps in our systems model to strategic planning—Institutional Scanning and Environmental Scanning—represent the initial information collection phase of the planning process. They typically occur simultaneously in the planning process; but if they were to be executed sequentially, the institutional scanning process should precede the environmental scanning process. This chapter will define the tasks and activities in "Institutional Scanning" stage and the next chapter will do the same for the "Environmental Scanning" stage.

In this stage of the strategic planning process, an inventory is taken of the organization to assess precisely where it is and where it seems to be going. The process focus on three dimensions of the organizations current status and structure: (1) organizational mission, (2) organizational systems, and (3) organizational finances.

ORGANIZATIONAL MISSIONS

The organizational mission is the most important piece of information in the entire planning process. It is around the mission that the entire incentives and goals of the organization and the planning process must be built. The mission explicitly states why the organization is in the business it is and what it does. Without a mission as a basis, the public organization would flounder about ineffectively, not really accomplishing anything.

Missions are usually stated somewhere in the organization's history. For example, in most private enterprises, the overarching mission is to "provide service x in such a manner as to make as large a profit as possible." In public organizations, the profit incentive is generally absent. Often, the missions of public organizations are written into the legislation that authorizes their formulation or reauthorizes their annual budgets.

Unfortunately, these missions are often vague and ambiguous. For example, the stated mission "to protect and to serve the citizens of Los Angeles"[9] does not tell us very much about what the Los Angeles Police Department is actually supposed to do. Who does it protect and from whom? How does it serve—does it deliver meals to those who cannot fend for themselves? Does it maintain the highway and street signs? The answer is obviously included in many other areas of the organization's authorizing legislation and in the traditions of the law enforcement enterprise.

In executing an effective planning process, it is critical for the mission(s) statement to be explicit. In our example, the goal of the Los Angeles Police Department is to protect the lives and property of the inhabitants of Los Angeles from the effects of unlawful behavior. It is to provide a resource to the community in furthering community safety. It is to develop a mutually respective and supportive relationship with the inhabitants of the Los Angeles in order to create a safer community atmosphere. Note that these statements are specific, but do not carry within them the specific details on how this undertaking is to be accomplished. A specific mission statement should include the answers to the following four questions:

- What does our organization do?
- Why do we exist?
- Who are our primary consumers?
- How do we serve those consumers?

Often, the leadership in the organization will lay out the specific dimensions of the organization's mission—interpreting when necessary the general mission statements into their own vision and desires for the organization's future. Because of the ambiguity often found in public mission statements, this is often the only way to develop usable mission statements.

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[9]The author recognizes that the official mission statement of the Los Angeles Police Department is much more detailed and explicitly stated. This example is used to demonstrate the need for some level of specificity in the mission statement.

ORGANIZATIONAL SYSTEMS

The second area of examination encompasses what the organization does to accomplish the institution's missions. Specifically, it is a survey of the structure, infrastructure, and subunits of the organization. This step in the process provides a complete picture of what the institution does and how it does it.

It is at this stage that the various and sundry enterprises of the institution are surveyed, with an emphasis on why doing it in the particular way that each is done is the best way to do what it does. Such issues as how the institution addresses and maintains its market niche, the role and importance of professionalism, and the way and effectiveness with which of the chain of management in the organization operates are surveyed in this step in order to provide a picture of the institution's unique strengths and weaknesses.

A final distinction in this process is to prepare a catalogue of how each activity of the institution directly contributes to a specific institutional mission. For those activities that cannot be traced to a specific mission, their history and justification must be given.

ORGANIZATIONAL FINANCES

Perhaps one of the most useful tools in assuring a reasonably complete internal assessment is to review the institutional budget and make certain that each dollar that is spent within the organization is accounted for in the survey. Furthermore, it is useful to look at the level of spending that each is directed toward each mission and is spent by each operational unit. While the former is useful for the fourth step when the organization invents a future vision of itself, it is not an absolutely necessary distinction. The latter distinction is, for it is through the analysis, prioritization, and reallocation of expenditures of resources within the institution that an important portion of the implementation of the planning process can be executed.

5. STEP THREE: EXTERNAL ASSESSMENT—ENVIRONMENTAL SCANNING

In conjunction with the internal assessment, the environmental scan is one of the most crucial elements of the planning process. The environmental scan answers two vital questions:

(1) How does the external environment affect the organization?

(2) How is that environment likely to change during the planning horizon?

Since the planning process represents an effort by the institution to respond to external change and to prepare itself to take advantage of future opportunities, the answers to these two important questions frame the balance of the planning process.

An environmental scan is performed by conducting a survey of the external forces that shape and frame the institution. Once a catalogue of these forces has been developed, a more in-depth analysis of the main forces that shape the institution is done, exploring their likely future trends.

Depending on the institution, this projection of these trends can be done either internally through the use of appropriate, expert staff, or in consultation with other, outside experts. With the exception of some institutions of higher learning, who may well have large pools of expert talent internally, it is usually better to turn to some outside sources for some areas of the environmental scan.

The end products of a successful environmental scanning effort should be (1) a map of the outside forces that shape and define the organization and its ability to perform its missions and (2) a map of how those forces are changing and their likely status at the end of the planning cycle.

SOME KEY QUESTIONS FOR EXTERNAL SCANNING

There are many categories of external phenomena and forces that can drive a public organization. Some of the key and important questions that all environmental scans should answer are:

- Who are our primary clients?

- What makes them our clients?
- What are the future prospects for this population? Will it grow or shrink? Will their needs remain the same or change?
- What are my primary sources of funds?
- What are the prospects for that revenue pool? What strings are attached to those funds? Will it grow or shrink? Will it become more discretionary or less so?

A TAXONOMY OF OTHER AREAS AND ISSUES

Beyond these general categories, there are whole realms of external forces that can affect the organization. Below is a list advanced by Kast and Rosenzweig[10] of some of the areas to be considered in an environmental scan and a brief description of each, using a modern university as an example. This list is by no means exhaustive.

Educational Trends

The educational category encompasses those areas and areas that reflect the education and training structure of the society. For example, trends in this area could include the general literacy of the adult population, the level of training afforded high school graduates by the primary and secondary school systems (and for higher education the expected demand for remediation), the demand for professional certifications and training, and the subject areas that are expected to rise or sink in prominence and popularity in the society and sector.

Technological Trends

Technology can affect an organization in many ways. One way is the way in which the technology for providing the organization's product is likely to change. While readily evident in manufacturing-like organizations where technology can automate or even eliminate steps in the production process, technology is increasingly important in service industries where the information revolution is beginning to see

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[10]F. E. Kast and J. E. Rosenzweig. *Organization and Management: A Systems and Contingency Approach*, New York: McGraw-Hill, 1985.

significant enhancements in the quality and quantity of service "products" produced by a given worker.

In higher education, this can be seen through the emergence of remote learning technologies and more sophisticated testing and evaluation paradigms. With the current rate of advancement in technology, fully distributed remote interactive classrooms could well reshape the university of tomorrow.

Another dimension of technology's impact on the university would be the ways in which it transforms the labor market and the types of training and skills necessary for the sector's graduates to thrive in the real world. As technology moves on to the next stage, higher education institutions must respond with new and advanced training in these new skill areas.

Economic Trends

There are a wide range of economic issues that can impact a system. In the university example, one such impact would be the overall wealth of prospective student populations. If the prospective student population is expected to be increasingly unable to afford higher education, then the university would need to consider this impact both on their projected admissions levels and future financial aid provisions. Furthermore, depressed economic conditions, such as a recession, and long-term spending patterns that de-emphasize the relative importance of higher education to the institution's primary financial backers, say for example the state, would require that the institution seriously consider its future fiscal structure and sources.

Other, broader economic considerations include such issues as prospective inflation, the existence of a market economy, and public investment patterns. In the university case, some localized considerations may include the availability of affordable housing for prospective staff.

Political Trends

Political considerations are complex but important considerations for many organizations, and especially for public organizations.

Sometimes institutions can see long-term political trends emerging. For example, there might be a trend toward decreasing the state's historically strong support for its large public higher education systems. There is also the issue of local political relationships, such as the relationship between a university and its local community. There can be confrontations and irritations between the two groups over a wide range of issues, such as zoning and parking.

Another political dimension is the recent trend by legislative agencies to attach more and more strings to the dollars they allocate to organizations. This micromanagement can result in interference with the organization's ability to effectively and efficiently fulfill its missions.

Taxpayer revolt represents another area where the political process can directly influence public organizations. The impacts can be direct, through political activism directed specifically at the organization itself, or indirect, such as through actions that reduce the government's overall revenue base, and hence the size of the pie from which the organization's resources are sliced.

Demographic Trends

Since most public organizations provide services to people, demographics represent a crucial aspect of any environmental scan. The university would want to consider who its students typically are and what the prospects are for changes in those input populations. It may also concern itself with such issues as whether the demands placed on the institution are homogenous across all of these subpopulations and, if not, how the demands on the institution are likely to change in response to anticipated changes in the composition of the student population.

Sociological Trends

The sociological trends that shape organizations include the broad class distinctions in the society. It includes such considerations as society's view of the role of government, the emphasis on individual rights over social responsibility, the need and mechanisms for social

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mobility, and the social constructs which separate classes within the society. Inasmuch as universities are considered a key mechanism for social mobility for traditionally underprivileged groups, an expectation that this sociological trend would continue would cause a university to include measures in its missions to make certain that underprivileged students are afforded opportunities to take advantage of higher education.

Legal Trends

Legal trends represent the effects of laws on the institution. These can be direct, as in the case of a law requiring additional tasks and reporting by the organization, or indirect, as in the case of an increase in overall litigation rates (which would encourage the organization to expend more resources on insurance and lawsuit avoidance). In the university case, not only are the institutions themselves subject to a wide range of laws from all levels of government, they are also subject a wide range of special laws associated with their roles as major government-funded research agencies. They are also heavily regulated by a plethora of accrediting agencies, each of which impose their own restrictions and requirements upon the institution.

Cultural Trends

The overall cultures, ideologies, values, and norms of society also affect organizations. In the case of a university, these considerations may include the perceived social value of a higher education and the commitment to working hard as a mechanism for advancement. The university is furthermore shaped by the broad cultural diversification that is occurring in our society and the demand for more classes and programs from different cultural perspectives increase.

Natural Resource Trends

Finally, there are the considerations with respect to the quality, quantity, and availability of natural resources. In manufacturing-type organizations, this consideration can drive concerns about the availability of inputs required for the manufacturing process or in the

price of energy to affect the manufacturing process. In other cases, such as in the university example, the concerns may include the availability of land for expansion. The impact may be even more indirect, involving such concerns as the cleanliness of the air and the cost and availability of water.

6. STEP FOUR: DEVELOPING A VISION OF THE ORGANIZATIONAL FUTURE

Having executed successful internal and external assessments, the planning group is now poised to step into the next stage of the planning process—developing a vision of the future. The approach embraced in this analysis is sometimes referred to as *normative forecasting*. In this approach, one envisions a desired future and then works backwards to the present to see how to get there from here. This approach is preferred because it causes the organization to go beyond its history and its often incremental orientation and instead focus on its institutional mission and the most effective ways of fulfilling those missions. Not only can it encourage innovation, but it also forces a return to the most essential of all the organization's attributes—its institutional mission—and can also provide a framework that will reduce the prominence of individual agendas in the planning process.

There are two important steps in the creative redesign process: (1) The planning team must re-evaluate the missions in the context of the expected future and determine if those missions are still appropriate; and (2) the organization must then apply those missions to the external environment expected at the end of the planning period and draw an idealized picture of the organization at that point in time.

REVISITING THE INSTITUTIONAL MISSION

In this step of the analysis, the institutional missions are examined in light of what was found out about the future in the case the of environmental scanning activity. For example, if it was expected that the quality of students entering the university from the K-12 education system was going to progressively worsen, and the institution had no explicitly defined remediation mission, then the university may wish to consider adding that mission.[11] It is critical that the organization's missions be appropriate for the future. There may well

[11]The university may also choose to admit a different student population, such as community college students, or a smaller student population, taking only those who are adequately prepared. (Please note that this example is hypothetical.)

be cases where the organization discovers that it has no role in the future environment. Organizations facing this prospect may either map out a plan for their eventual elimination or, more likely, undertake an effort to redefine their role in the society to ensure their continued existence.

It is often quite difficult for a committee to develop a singular statement of the missions of the institution. Often the individual committee members' perceptions of the institution's current and future missions are shaped by agendas shaped by their desire to maintain and growth their own area of interest. For this reason, it is generally appropriate for a single person, in consultation with the planning team to derive and present the institution's future missions. Since the leader of the organization is charged to lead the organization into the future and to take advantage of opportunities in the future, the leader of the organization is the natural candidate to identify the institution's future organizational mission.[12]

MATING THE FUTURE MISSIONS AND ENVIRONMENT

Having developed a vision of the organization's missions, both now and in the future, the organization then proceeds to develop a vision of the ideal organization of the future. This step in the planning process requires the mating of the institution's missions with the future environment identified in the environmental scan. The goal is to paint a portrait of the organization of tomorrow. For example, if the organization provides fire services to the county of Los Angeles, then how many fire stations will be required to accommodate the expected population. What types of equipment will be necessary to fight the fires of the future? And where will that future population be concentrated? How much will it cost to finance that level of facilities and staffing?

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[12]This is a general statement. There are sometimes organizational contexts where other entities in the organization, such as a labor union, are the most powerful political players. In these cases, the mission statement must obviously include significant input from these entities.

The goal of these types of questions is to place the planning committee in the future context and describe how the organization will function in that future. The primary product of this exercise is a description of the institution at that point. How many clients will we have? What types of needs will they have? What will our resource base be and where will those resources come from? What tasks will we accomplish and how will we accomplish them? All of these questions must be answered in this visualization stage.

Prioritization as a Necessary Tool

One of the most difficult aspects of this stage is to identify the areas of key competitive advantage for the organization. Each of the participants in the planning process will enter with their own versions of what will characterize the institution in the future. For example, in the university case described above, each of the departmental representatives will believe that their department represents an integral piece of the university's future. While this may well be true, it may also not be the case, although that department's representative will be the last to so indicate.

In order to combat this individual agenda-based problem, the planning process must introduce a prioritization stage at this point. There are two critical dimensions to this process: (1) forcing subunits to prioritize their activities; and (2) establishing key criteria for making comparisons and decisions.

Prioritizing Activities. The first of these steps requires forcing representatives of specific areas within the institution to recognize the functions and activities that are key to their individual competitive and comparative advantages. It is the areas of competitive advantage that the institution will wish to emphasize in the future.

To accomplish this task, there are a wide range of tools. One of the most effective approaches is to force budgetary choices upon the process participants, requiring them to prioritize the activities in their subunit. Consider again the university above. Assume that the planning committee is peopled with the deans of the various schools within the university. Initially, each and every one of them would

likely say that their school represents a key, if not *the key* school for the university's successful future. They would further argue that they could not cut *any* department within their respective schools because it would harm the university's future integrity. This scenario is not likely to lead to an assessment of the institution's competitive strengths and weaknesses.

The president of the hypothetical university, recognizing the impasse, then turns to each of the deans and requires them to consider two scenarios. In the first scenario, their school receives a 25 percent increase in the funds available to it. Each is asked where they would spend that money and how would they restructure their department. In the second scenario, the department receives a 25 percent reduction in the funds available. Each dean is asked where they would cut the funds out of their school and how they would restructure their school to be the most competitive possible.[13] The responses to these two scenarios will provide insights into where each school's competitive advantages lie and, to some extent, where the institution's competitive advantages lie. In addition, the criteria that these deans use to make can be assembled for use at other decision points in the process.

Establishing Selection Criteria. The future vision stage of the planning process is particularly interested in the attributes of the organization that are most important to its on-going ability to accomplish its mission. These attributes will vary from organization to organization. Generally these attributes are stated or alluded to in the organization's mission statement. It is at this stage in the planning process when it is crucial to identify the criteria that will be used in the subsequent stages of the planning process to make choices between alternative strategies and programs. These criteria should focus around the organization's mission, as well as feasibility and

[13]Note that it is entirely likely that one of the subordinate managers, in this case a dean, may well refuse to respond to the funding-reduced scenario. If this happens, it is up to the leadership of the organization to make the cuts for that manager. Such a threat will generally, but not always, cause the manager to participate.

efficiency. In the university example above, some criteria could include the following:[14]

- **Quality.** How does the activity contribute to the university's quality of faculty, students, research, library, and services?
- **Centrality.** How central is this activity to the university's specified missions?
- **Demand and Work Load.** What are the current and anticipated demands for this specific activity?
- **Cost-Effectiveness.** Does the product of this activity warrant its cost, especially in comparison to other activities?
- **Comparative Advantage.** Does this activity represent a special comparative advantage for our university?

THE FINAL PRODUCT

The final institutional vision will be a description that generally parallels the categories of the internal assessment stage. It will include a restatement of the institution's mission, a description of the organization's systems, and an overview of the institution's finances. This map will be used in the next section to match the present with the future.

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[14]These criteria are from *The Redesign of Governance in Higher Education*, (Roger Benjamin, *et. al.*, a RAND Monograph Report, MR-222-LE, 1993, 50 pp.)

7. STEP FIVE: MATCHING THE VISION OF THE FUTURE WITH THE PRESENT

This step in the planning process entails doing precisely what it says. The description of the organization derived in the "Internal Assessment" stage is compared to the structure produced in the "Developing a Future Vision" stage. Figure 7.1 presents a graphic representation of this process.

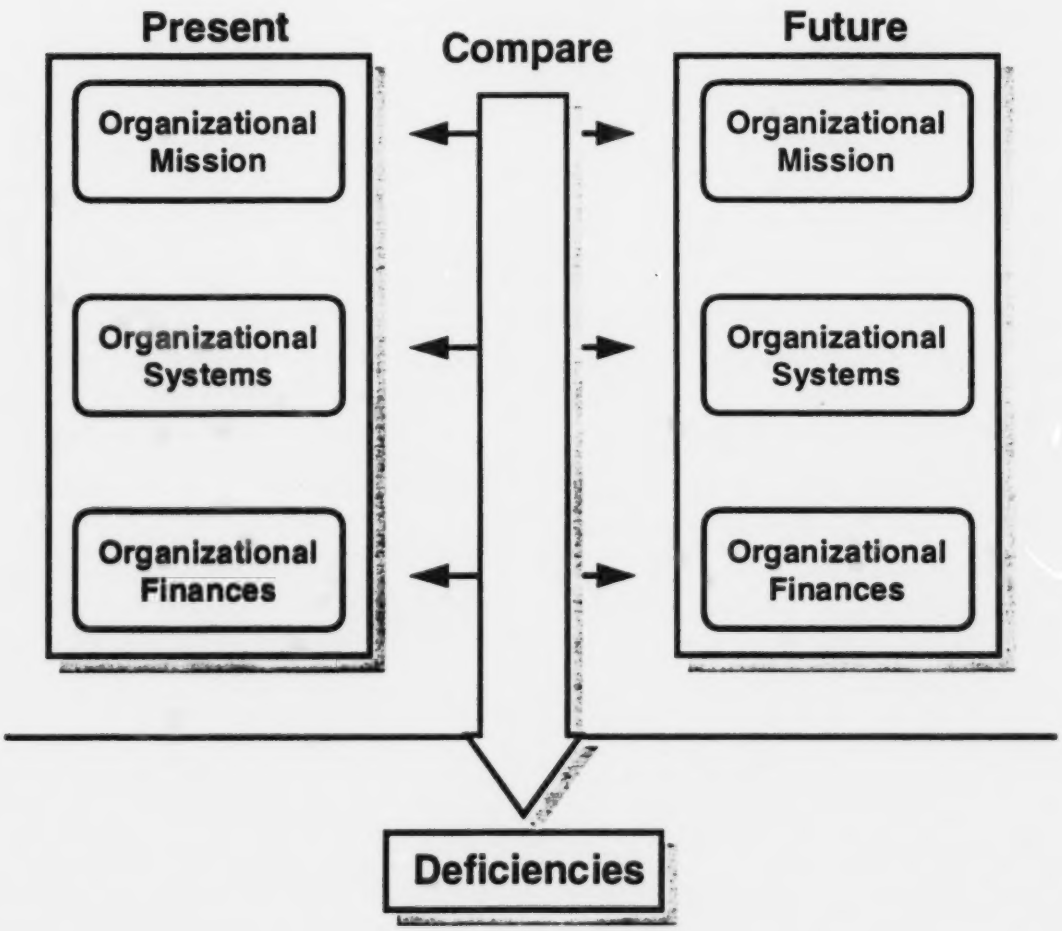

Figure 7.1-Comparing the Organization's Present and Future

To effect the matching, the present missions of the organization are compared to the anticipated future missions. The current organizational systems (see Chapter Four for a more detailed description of what comprises these systems) are compared to the desired future organizational systems and the current organizational finances are compared to the future organizational finances.

These differences represent areas where the organization will seek to change the *status quo* over the planning period. In this paper, we will call these "deficiencies." That is not a normative description—that is to say that these are areas where the organization performs poorly—but only that the present status is *deficient* from the desired future in some way. These are the areas that the strategic plan will attempt to redress.

8. STEP SIX: DEVELOPING STRATEGIES

In the sixth step in the strategic planning process, we will develop the strategies to address the deficiencies identified in the previous step. The word strategy comes from the Greek word *stratagos* which means "general." This gives us an important clue as to what a strategy should be. A strategy should be a *high-level* approach to resolving a problem or attaining a goal; much like the general in a battle only troubles himself/herself with the highest levels of details. For example, the general would choose to pursue a flanking maneuver around the enemy force—this is a strategic choice. The general's staff would then turn to operationalizing this choice by deciding which units should move to where and when.

Similarly, this stage addresses the broadest levels of considerations. Suppose, for example that a major public utility sees a deficiency in its public image. It may choose several strategies to improve its image: (1) it could hire a public relations firm; (2) it could hire its own public relations staff; (3) it could increase its giving in the community; (4) it could give plant tours; and so on. The point is that it has a wide range of choices. Note that none of these strategies specify who, what, where, or when. The strategic choices simply indicate the direction and approach to reconciling the deficiency. The details are left for the next stage of the planning process—"developing Programs." We will now turn to the some of the basic issues associated with the development and selection of strategies.

GENERATING STRATEGIES

The strategy development stage of the strategic planning process is the most creative of all of the steps. It is in this step that the deficiencies of the institution are viewed in isolation and approaches to redressing them developed. There is a wide range of literature on the issue of inspiring innovation and creativity in the group process and, in the interest of time and space, I will go into detail in this

paper. Some possible approaches include sessions that employ informal brainstorming, questions and answers, assumption-based planning, Delphi techniques, and other games.

ATTRIBUTES OF SUCCESSFUL STRATEGIES

There are some attributes that are common to all strategies. They represent what I call the "Three Fs" of successful strategies: feasibility, focus, and functionality.

Feasibility

A successful strategy will be feasible. It will be affordable and doable. There is little value in coming up with strategies that have no viable prospect for implementation. The strategy must also be consistent with the organization's culture and must have a level of risk that is consistent with the organization.

Focus

Another attribute of a successful strategy is that it is focused. The strategy contains clear objectives and represents a clear progression from the current state of the organization to the desired future state. Generally, the strategy should address itself to only one set of deficiencies at a time.

Functionality

Finally, a successful strategy must contain a functional framework. The strategy should include enough clarity and structure that future management decisions will be able to refer to it when making resource allocation decisions. It should also be stated in such a manner that the organization can periodically review the status of the strategy and ascertain if it is meeting its objectives.

RANKING AND CHOOSING STRATEGIES

Once the group has developed a body of alternative strategies to address a deficiency, the organization must then choose the strategies that it will pursue. It is at this point that the selection criteria mapped in Step Four (see Chapter Six) become extremely important. There

are numerous approaches to selecting between alternatives, but four approaches seem to have the broadest implementation: (1) executive decisionmaking, (2) consensus building, (3) organizational modeling, and (4) decision matrices.

Executive Decisionmaking

Executive decisionmaking is precisely that; the ranking executive of the organization, for example a university president, selects the strategies to be pursued. This can be done with or without consulting the members of the planning committee. The advantage of this approach is that the direction of the institution and accountability for that direction are placed directly at the feet of the person charged to set that direction. The disadvantages arise during the implementation process when the unilateral decision must be implemented y a host of individuals who do not share that individual's vision and may have been alienated by their inability to participate in the process.

Consensus Building

An approach that uses consensus-building as its main mechanism is operationally the opposite of the executive decisionmaking approach. Instead of one individual making the decisions, the committee makes the decision. The debate is carried on until there is agreement by the committee that a particular outcome is the appropriate choice. Note that this does not require unanimity. Dissenters in a consensual process do not have to agree with the final vote, only to feel that their position was given a fair hearing by the other participants. The dissenters then defer their opposition to the judgment of the larger whole.

The advantages of this approach are that, when consensus is achieved, the choice has the implicit endorsement of all the participants in the process and implementation is significantly facilitated. The disadvantage is that consensus is rarely achieved, especially in periods of restructuring where some players will lose heavily. Take the university for example. If the strategic choice under discussion was the elimination of a specific academic department,

the department head of that department would never feel that the consensus decision was appropriate.

Organizational Modeling and Simulation

Organizational modeling implies the use of detailed statistical and simulation models to estimate the effects of the various strategic choices on the desired outcome. The advantage of these models is that they often can compare the implications of very differing policy choices and can measure the effects of those policy choices on the desired outcomes. Their disadvantages are that they require a significant level of technical expertise, they are often expensive to develop and implement, and they are also somewhat controversial and debatable. The specific implementations of policy models always have implicit to the varying levels of uncertainty. This uncertainty is typically wielded by critics of the model's results to impeach the entire modeling effort and especially the results.

Decision Matrices

Another approach to selecting specific strategies from a list of choices involves the use of weighted decision matrices.

Table 8.1

Sample Weighted Decision Matrix

Criteria	Weight	Strategy A	Strategy B	Strategy ...	Strategy Z
1	w_1	S_{a1}	S_{b1}	$S_{.1}$	S_{z1}
2	w_2	S_{a2}	S_{b2}	$S_{.2}$	S_{z2}
3	w_3	S_{a3}	S_{b3}	$S_{.3}$	S_{z3}
...	$w_.$	$S_{a.}$	$S_{b.}$	$S_{..}$	$S_{z.}$
n	w_n	S_{an}	S_{bn}	$S_{.n}$	S_{zn}
Weighted Total		T_a	T_b	$T_.$	T_z

Table 8.1 above provides an excellent example of a simple weighted decision matrix. Briefly, the criteria are initially assigned weights by the group. These weights are considered independent of the strategies themselves and represent the relative importance of each of

the decision criteria to the final output. These weights, w_1 to w_n, are entered into the table in the column marked "Weight." Starting with the first criteria, each strategy is then evaluated and scored on how well that strategy meets the given criteria. These scores are entered into the table in the appropriate cells, S_{a1} to S_{zn}. Finally, each the total score for each strategy is tallied using the formulation in Equation (8.1), where x represents the strategies from a to z. The winning strategies are then selected.

$$T_X = \sum_{i=1}^{n} w_i \times S_{Xi} \tag{8.1}$$

This technique is a powerful tool that can often be used to narrow the debate over alternatives down to one or two choices. It is important to remember, however, that this is only a tool, and that it should be coupled with other methods in order to produce the best decisions possible.

9. STEP SEVEN: DEVELOPING AND IMPLEMENTING PROGRAMS

Once the strategies are chosen, the details on the specific implementation of those strategies are established. This is the operational level of the process. As is the case in the military example at the beginning of the last chapter, a strategy does little unless it is implemented. In order to be implemented, the strategy must be broken into specific tasks that can be assigned to the appropriate subunits or individuals. As is the case with selecting strategies to address deficiencies, there are generally multiple approaches to implementing strategies once they have been selected.

We will call the specific implementations associated with a strategy *programs* in this discussion. Many of the same issues, in terms of creating programs and alternatives and choosing between programs also arise at the specific program level. For example, there could be more than one person who could perform a task. A successful program will include four things:

1. Specific objectives for the task;
2. A program for assessing the on-going progress and effectiveness of the program;
3. An assignment of the program to a specific manager for accountability; and
4. A quantification of the budgetary resources to be committed to the program.

Failure to provide any of these items could well interfere with its eventual implementation, which would in turn affect the viability of the strategy and the organization's overall ability to address the specific deficiency identified during the planning process.

10. STEP EIGHT: UPDATING AND MAINTAINING THE PLAN

Finally, it is important to remember that strategic planning is an iterative and dynamic process. Once the initial effort has been completed, it is vital to periodically revisit the plan. This serves three functions. The first is to assess the organization's progress in implementing the plan. This allows the organization to identify those areas where the plan is meeting its objectives and to target those areas where it is failing to meet its objectives for follow-up. It also allows the organization to revisit some of the environmental assumptions and changes anticipated during the planning process. As the environment changes in unpredicted ways, so should the strategic plan in response to these changes. Finally, the periodic revisitation of the plan reinforces the organization's commitment to an active and productive planning process and to productively embracing its future.

As a final comment on the process overall, I would add that every organization will make mistakes over the course of its planning effort. Whether those errors are logistical, informational, or personnel-based, the bottom line is that the management process involves significant human interaction and is thus highly unpredictable. This situation is further complicated by the tensions raised by a major planning effort, especially if the motivation is reactive and driven by fiscal crises. It is up to the manager of the planning process to use his/her management skills to defuse these crises during the process. While the process itself can be quite difficult for the organization, there are few things which can motivate and energize an organization as much as the results of a successful planning effort.

11. APPLYING THIS PROCESS TO HIGHER EDUCATION

The process described in the preceding chapters is a generalized systems approach to planning that could be implemented in any public organizational context. This chapter will turn to some of the special considerations that arise when applying this process to higher education institutions.

PLANNING TO PLAN

Higher education institutions are commonly characterized by a wide range of highly divergent and often conflicting interest groups. The potential for conflict is further escalated if the planning process is motivated as part of a reallocative restructuring effort as these groups vie for their "fair share" of the resource pie. Because of this the planning process must be necessarily participative. Higher education is perhaps the extreme case of a large public enterprise that is heavily dependent on the consensual and joint participation of all of its constituents.

Furthermore, the scale and complexity bring about a need for the credibility of the process to be strong. In reallocative efforts, opposition will be strong (maybe even total) in the areas where it arises. This necessitates an exaggerated effort to be open about the process. Furthermore, the role of criteria is highlighted in the higher education planning process.

The role and leadership of the president are also important to the planning process in higher education. It is up to the university or college president to set the tone and goals of the planning process. It is also important for that president to remain above much of the eventual conflict that arises in the course of the planning process. This allows him/her to serve as a coalescing influence between conflicting groups and a court of last resort when conflicts cannot be resolved in other ways. This places the burden of overseeing an institution-wide planning effort on the second-ranking administrator, often the provost.

INSTITUTIONAL SCANNING

In many cases, the institution's mission is stated by state legislation. Unfortunately, many of these mission statements are ambiguous and too vague for effective use in the planning process. Accordingly, the planning process may have to clarify and tighten these mission statements. Even if the legislated mission statements are adequately specific, there may be a need to revise and expand these statements to be appropriate to the current social context.

The institutional scanning phase in higher education institutions is often difficult. Most academic institutions' accounting systems are fund-based and are not easily amenable to the organization-based and activity-based distinctions necessary to the planning process. This means that the participating units in the institutional planning process must often expend significant resources to present such information in a useful manner.

There must also be a concerted effort at the highest levels of the planning effort to make certain that the information provided by the subunits is complete and representative. Unfortunately, as the risks and pressures of the planning process weigh on the individual departments, there is the temptation to attempt to manipulate these important inputs into the planning process.

ENVIRONMENTAL SCANNING

The university is an extremely complex enterprise. The environmental forces shaping the university are numerous and diverse. It is the responsibility of the planning committee to identify the major trends that influence it and to address these major trends in the planning process. It is unlikely that the planning process will be able to adequately address *all* of the areas that affect it. It is therefore possible that the university will wish to consult with an outside agency that has a comparative advantage in executing such scans.

DEVELOPING A VISION OF THE ORGANIZATIONAL FUTURE

The vision of the university's future must take into account the incredibly diverse set of demands on it. I would recommend that the institution focus on those missions that are central to the

institution's existence and prioritize the wide range of missions assigned it using the same types of criteria specified in Chapter Eight when addressing strategies. It is particularly important that the president of the university serve a role in specifying the missions upon which the institution will focus, as this adds validity to this key aspect of the remaining portion of the process. For similar reasons, it is also important that the president add his/her voice behind the criteria that will be used in the balance of the process.

MATCHING THE VISION OF THE FUTURE WITH THE PRESENT

The matching stage for universities is quite straightforward and applies as described in Chapter Seven to the planning process in higher education.

DEVELOPING STRATEGIES

The strategy development process should be the result of a highly participative dialogue. This dialogue should bring together all of the key interest groups on campus. The role of the criteria is particularly crucial as individual departments and units in the organization make their impassioned pleas for continuation. The strategic planning process can be very destabilizing to the university environment. The stakes are often very high for individual units and it is only through an intense focus on the institution's mission and the criteria can make the tough choices that must be made.

DEVELOPING AND IMPLEMENTING PROGRAMS

The selection and assignment of specific programs to implement strategies should be done and organized by the same planning group that developed and selected the strategies. Because these programs are key to the final implementation of the strategies, it is crucial that their development and assignment be affected by those who have a vested interest in the success of the strategies and the planning effort itself —those with whom it will be associated. The conflicting interests and incentives of those who are not so closely linked to the plan can be very counterproductive.

Much of the implementation in an organization as vertically organized as a university will be in the hands of subunits and organizational levels below them. It is incumbent on the management level overseeing the planning process to follow up and be certain that the operating units are indeed implementing the programs identified and specified. Too often the failure of strategic planning efforts in complex bureaucracies is driven by a failure to follow up on the implementation of the elaborate plans.

IMPLEMENTATION AND MAINTENANCE

As is the case in any other organization, planning in the university setting is an on-going process. It is important, therefore, that someone of adequate stature be given the responsibility to follow up on various provisions of the plan's implementation, as well as for keeping the plan current.